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Special Session of the General Assembly

August 16, 1982

Christopher S. Bond
Governor

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EXECUTIVE OFFICE
STATE OF MISSOURI
P.O. BOX 720
JEFFERSON CITY
65102

CHRISTOPHER S. BOND
GOVERNOR

PROCLAMATION

On the extraordinary occasion which exists in the State of Missouri:

I, Christopher S. Bond, Governor of the State of Missouri, by this Proclamation convene the Eighty-First General Assembly of the State of Missouri in the First Extra Session of the Second Regular Session; and,

I hereby call upon the Senators and Representatives of said General Assembly to meet in their respective places in the State Capitol in the City of Jefferson at the hour of 2:00 p.m. Central Daylight Time, August 16, 1982; and,

I hereby state that the action of said General Assembly is deemed necessary concerning each matter specifically and especially designated hereinafter as follows:

1. Legislation and supplemental and emergency appropriations for the purpose of implementing Article III Section 37(d) of the Constitution of the State of Missouri, enacted by the voters of Missouri on June 8, 1982 and effective thirty days thereafter, as follows:

   a. Legislation authorizing the Board of Fund Commissioners to contract indebtedness on behalf of the State of Missouri, and to issue bonds as evidence thereof, in an amount not to exceed seventy-five million dollars, for the purposes set forth in said Section 37(d);

   b. Legislation specifically authorizing projects pursuant to Subsection (3) of said Section 37(d);

   c. Supplemental and emergency appropriations for those projects set forth in paragraph 1(b) hereof;

   d. Supplemental and emergency appropriations for projects involving the repair, replacement or maintenance of state buildings or facilities for which at least 20% of any year's appropriation from the Third State Building Fund are reserved, according to Subsection (1) of said Section 37(d);

   e. Legislation specifically authorizing projects for the purpose of stimulating economic development in this state as set forth in Subsection (2) of said Section 37(d); and,

   f. Supplemental and emergency appropriations for those projects set forth in paragraph 1(e) hereof;

2. Supplemental and emergency appropriations as follows:

a. To the State Election Subsidy Fund, pursuant to and for the purposes set forth in House Committee Substitute for Senate Bill No. 526, as passed by the Second Regular Session of the Eighty-First General Assembly, effective May 20, 1982, with respect to the costs of the special election held on June 8, 1982;

b. To the Economic Development Reserve, pursuant to and for the purposes set forth in House Substitute for House Committee Substitute for House Bills Nos. 1568 & 1423, as passed by the Second Regular Session of the Eighty-First General Assembly, effective August 13, 1982, and to the Department of Consumer Affairs, Regulation and Licensing and to the Department of Revenue for costs associated with implementation of said Bills;

c. To the Industrial Development Fund, pursuant to and for the purposes set forth in Conference Committee Substitute for Senate Bill No. 681, as passed by the Second Regular Session of the Eighty-First General Assembly, effective August 13, 1982, and to the Department of Consumer Affairs, Regulation and Licensing for costs associated with implementation of said Bill;

d. To the Higher Education Research Fund and the Higher Education Applied Projects Fund, pursuant to and for the purposes set forth in House Bill No. 1375, as passed by the Second Regular Session of the Eighty-First General Assembly, effective August I3, 1982, and to the Department of Higher Education for costs associated with implementation of said Bill;

e. To the Department of Consumer Affairs, Regulation and Licensing, and to the Department of Revenue, for costs associated with implementation of Senate Committee Substitute for House Committee Substitute for House Bills Nos. 1713, 1686, 1542 & 1791, as passed by the Second Regular Session of the Eighty-First General Assembly, effective August 13, 1982;

f. From the Fair Share Fund for distribution to the schools in this state on an average daily attendance basis and no other, pursuant to and for the purposes set forth in Senate Committee Substitute for House Committee Substitute for House Bills Nos. 1548 & 1543, as passed by the Second Regular Session of the Eighty-First General Assembly, effective August 13, 1982;

g. To the Department of Revenue for costs associated with implementation of House Committee Substitute for House Bills Nos. 1351, 1464 & 1507, as passed by the Second Regular Session of the Eighty-First General Assembly, effective August 13, 1982;

h. To the Tort Defense Fund, for the purposes set forth in Section 105.710 RSMo. Supp. 1981, as amended by House Committee Substitute for House Bill No. 1169, as passed by the Second Regular Session of the Eighty-First General Assembly, effective April 1, 1982, and by House Bill No. 1196, as passed by the Second Regular Session of the Eighty-First General Assembly, effective August 13, 1982, and to the Attorney General for costs associated with litigation expenses incurred on behalf of the state and for costs associated with representation of current and former state employees and

officials in situations in which the Attorney General may not represent said employees and officials as a result of a conflict of interest; and,

i. To the State Park Earnings Fund, for the purpose of funding fringe benefits associated with Personal Service costs previously transferred from the General Revenue Fund to the State Park Earnings Fund;

3. Legislation to amend Chapter 204, RSMo, for the purpose of increasing or eliminating the maximum legal interest rate which bonds issued pursuant to Article III Sections 37(b) and 37(c), for the protection of the environment through the control of water pollution, may bear; and,

4. Emergency legislation to amend Chapter 51, RSMo, for the purpose of authorizing the county governing body to authorize additional compensation for the county clerk in each county of the third and fourth class.

5. Such additional and other matters as may be recommended by the Governor by special message to the General Assembly after it shall have convened.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Missouri, City of Jefferson, this 6th day of August, 1982.

Christopher S. Bond
GOVERNOR

ATTEST:

James C. Kirkpatrick
James C. Kirkpatrick
Secretary of State

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The overriding issue today is the creation of good and lasting jobs. While reports show that economic recovery may have begun both nationally and in Missouri, full recovery on the national level will take more time than jobless citizens can endure. Missouri must, therefore, build a solid foundation for long-term job creation. Without that foundation, today's high unemployment rates could become permanent. A child born today will graduate from high school in the year 2000. Thousands of new workers will enter the Missouri labor force between 1982 and the year 2000. Inaction today -- waiting for Washington or others to take the first step -- will jeopardize their future.

Constitutional Amendment No. 1, the Economic Development Act, the Enterprise Zone Act, the Industrial Development Funding Act and the Research Assistance Act are major economic development initiatives which were recommended by the Governor and adopted by the General Assembly in the 1982 Regular Session. All five measures embody the Missouri traditions of practicality and self-determination. None of the five lean on the shoulder of the federal government; on the contrary, each rests on the public and private resources of Missouri. It is now time to implement them.

Constitutional Amendment No. 1

Implementing Amendment No. 1 is the first order of business for this Extra Session of the General Assembly. Endorsed by nearly-unanimous votes in the House and Senate, and passed by the voters at a special election on June 8, Amendment No. 1 is the centerpiece of Missouri's economic recovery plan. The Amendment envisions a total investment of $600 million over five years for three coordinated initiatives:

-- A comprehensive economic development program;

-- Essential repairs and improvements to existing state facilities; and

-- Construction of urgently needed new state facilities

The Amendment allows a systematic five-year program of major capital improvement stimulus aimed at reversing a decline in Missouri's industrial and commercial employment base. This program will create jobs at the same time that it rebuilds the economic base for long-term economic growth. An estimated 17,000 direct construction jobs will be created over the five-year life of the program. This construction in turn generates a "ripple-effect" in other segments of the economy which will create another 40,000 jobs. Amendment No. 1 will also rebuild economic "infrastructure" by developing those facilities which will expand the capacity to employ Missourians far into the future, including roads, bridges, water and sewer projects, soil conservation, and more.

This basic infrastructure is too often pushed aside by competing budget priorities. There is new recognition that the United States has for too long neglected these investments. The nation's real rate of investment in economic infrastructure dropped by more than 20 percent between 1965 and 1977. (Source: Choate and Walter, America In Ruins, Washington, D.C., Council of State Planning Agencies, 1981, page 7). There is also evidence that Missouri has been negligent as well. In 1970, for example, state and local governments in Missouri devoted nearly 25 percent of their budgets to capital improvement outlays. In 1980, these basic investments had dropped to only 16 percent of their budgets.

Deferred maintenance of essential public facilities can quickly lead to irreversible deterioration. Decaying state facilities can drive jobs and businesses to other states. Because the economic infrastructure and capital improvement programs of Missouri have not kept pace with those of other states, the ability to compete for private investment has eroded.

Procedurally, Amendment No. 1 divides the total $600 million bond issue into three basic categories. First, 15 percent is dedicated to projects aimed at spurring private-sector investments. This total of $90 million will be used to prepare industrial sites with road and rail access, develop port and airport facilities, extend and improve water and sewer projects, fund soil conservation projects and support other basic improvements to serve business and industry and create jobs.

Next, Amendment No. 1 provides that state construction projects may receive up to a maximum of 65 percent of the $600 million total. The purpose of these funds is to strengthen basic state services. Research shows that education, public safety, health, recreation and other essential services are key factors in business location choices. There is a direct relationship between Missouri's ability to deliver high-quality state services and our ability to attract and retain new jobs. Accordingly, up to $14 million of Amendment No. 1 funds is designated for higher education, $79 million for public safety and corrections, $80 million for mental health and social services, $11 million for agriculture and $59 million for state parks and historic preservation.

Finally, Amendment No. 1 provides that at least 20 percent of the $600 million total, or $120 million, must be spent for repair, maintenance and replacement of existing state facilities. In recent years, Missouri has maintained its capital facilities at only one-half the level thought to be acceptable by private industry. As a result, state health and mental health facilities have been allowed to deteriorate; college and university buildings, laboratories and libraries no longer meet student needs; state parks have inadequate sewage systems which threaten to pollute nearby waterways; poorly insulated state buildings increase our energy costs; the list goes on and on.

To begin Missouri's economic renewal, the Governor urges the General Assembly to authorize a first bond issue of $75 million. He has presented this special session with six bills authorizing that issue, defining specific projects, and appropriating monies for these projects.

Missouri can afford this $75 million issue primarily because of the low level of state debt. Missouri ranks 35th out of the 50 states in terms of total state debt. In terms of debt burden (the percentage of state debt compared to total property value) Missouri ranks 36th of 50 states. Missouri's debt burden is 0.27% compared to the national average of 1.5%. Missouri's debt per person ($30) puts us 36th out of 50 states, the national average per capita state debt is $202.

Funds to retire these bonds will come from the state's current spending for repairs and maintenance, from cost savings due to more energy efficient state buildings and from normal growth in state revenues. Also important will be the $60 million in state tax revenues generated by Amendment No. 1 projects and long-term growth in the tax base generated by the enduring expansion of the Missouri economy.

The two-stage process required by Amendment No. 1 -- authorization followed by appropriation -- forces careful scrutiny of projects and spending controls. The projects which the Governor has recommended to the Special Session are drawn from priority capital needs established by each department. After public hearings and floor debate, each project is authorized via authorization bills which the Governor has submitted. After the legislature approves the authorization bills, appropriation bills must then be enacted so that funds may actually be disbursed for authorized projects. Again there are public hearings and floor debate. Once a project obtains both an authorization and appropriation, construction may begin. This two-stage process ensures proper scrutiny and spending controls and gives the General Assembly, the Governor, and state agencies time to realign priorities should public needs change.

To expedite planning, design and implementation of recommendations, the Governor's appropriation request includes General Revenue funds, and Revenue Sharing Funds. These funds will be lapsed from existing FY 1983 project appropriations and those projects deauthorized are recommended for completion from Third State Building Funds authorized in this extra session when bond proceeds become available.

Maintenance and Repair

The provisions of Amendment No. 1 allow more than 20 percent of any bond issue to be used for repair, maintenance and replacement of existing state facilities. Given the condition of the state's capital program, it makes sense to go beyond that bare-bones minimum at the outset of the program to meet the state's most urgent needs and to create jobs more quickly. To that end, the Governor recommends that 36 percent ($27 million) of the first $75 million issue be used for repair, maintenance and replacement of existing state facilities, because:

--Repair and maintenance projects are more labor-intensive than new construction. Concentrating on them now will do the most to correct current high unemployment rates;

-- Maintenance and repair work can begin almost immediately. The projects which the Governor has recommended are taken directly from systematic priority listings maintained by the State Division of

Design and Construction. Because much planning already has been done, bids can be sought and contracts awarded promptly;

--Maintenance of state facilities has borne an inordinate share of the state's fiscal problem in recent years. Termination of the federal revenue sharing program has also contributed to the deferral of necessary maintenance projects. It is essential to reinstate a sound maintenance program before this deferral escalates into a need for expensive replacements.

--Pay-back to Missouri taxpayers will be most immediate, because many of the repair and maintenance projects are energy conserving measures designed to lower the state's energy bill.

The $27 million in new appropriation authorization recommended for maintenance and repair is targeted to help correct the most immediate problems of Missouri's buildings and institutions. For example, $9,496,495 in new appropriation authorization is recommended for sixteen mental health facilities to improve living conditions for patients. These projects address basic needs of painting; repair of floors, roofs, and ceilings; and overhaul of mechanical support systems. Appropriation authorization of $1,147,581 for state health institutions also will improve the quality of care provided to patients. At the State Chest Hospital, $557,498 is recommended for replacing an obsolete nurses' call station, a deteriorated power cooling tower, and an unreliable air conditioning system in the hospital's surgical suite. Funds of $590,083 are provided for essential projects at the Sears Youth Center, Hogan Street Youth Center, and renovations at Babler Park Camp operated by the Division of Youth Services.

Maintenance and repair projects totaling $7,270,640 in new appropriation authorization will be used to help restore classroom and research facilities of Missouri's colleges and universities. Funds will provide repair of essential infrastructure including roofs and utilities as well as energy-saving improvements. Funding of $1,541,462 for projects in twenty-four parks will help prevent deterioration of the state's investment in these facilities and will serve to enhance enjoyment of Missouri's recreation and natural resources.

Finally, $3,418,878 in new appropriation authorization for Missouri's correctional institutions is vitally needed to make the most efficient use of available facilities. Recommended projects exclude extensive repairs to mechanical plants and utilities in addition to general maintenance work throughout the corrections system.

Economic Development

As indicated, fifteen percent ($90 million) of the $600 million of bond proceeds must be dedicated to projects aimed at leveraging private-sector investments and creating new jobs. This $90 million share will prepare industrial sites with road and rail access, develop port and airport facilities, extend and improve water and sewer projects, fund soil conservation projects and support other basic improvements to serve business and industry and create jobs.

Of the first $75 million issue to be authorized by this Special Session, $11.25 million will be for economic development projects throughout Missouri. These projects will create jobs now and leverage even more in private sector investment. The Governor has delivered two bills to the Special Session to authorize and appropriate funds for the $11.25 million economic development share.

It is recommended $6,750,000 of the $11.25 million economic development share be appropriated as required by Amendment No. 1 provisions: $2,250,000 to provide grants to the St. Louis Metropolitan Sewer District for stormwater control projects; $1,507,500 to provide state assistance to local governments in rural areas for the construction of water and sewer systems; and $2,992,500 to Soil and Water Districts to control soil erosion. The balance of the $11.25 million, $4.5 million, is recommended for eight non-highway and eleven highway projects. The projects include rail line construction, port and airport development, and highway construction throughout Missouri.

- $200,000 is recommended to extend water mains into the downtown Kansas City Port Authority site.

- $400,000 is recommended to construct a hard surface runway and provide additional parking at the Harrisonville Airport in Cass County.

- $458,254 is recommended to reconstruct the north end of the St. Louis Port Authority dock. The reconstruction will create approximately 100 additional jobs.

- $225,000 is recommended to revise highway ramps at Madison Street and Interstate 70 to better accommodate heavy industrial hauling.

- $375,000 is recommended to grade and pave the runway at the Monett Friend Airpark. The airport improvements will allow full use by area industry.

- $61,600 is recommended to construct a dual rail spur industrial track in West Plains, Missouri, to provide transportation access to a major employer.

- $73,040 is recommended to purchase additional land adjacent to the Pemiscot County Port Authority in order to accommodate new industry. The Pemiscot County Port when fully developed will create approximately 700 jobs.

These economic development projects will leverage $21.8 million from matching funds, a substantial return on $11.25 million. In addition, the projects will create 5,600 jobs and ensure Missouri's ability to attract new industry and job opportunities in the future.

New Construction

Recent studies verify the importance of public services in business location decisions. Education, public safety, health, recreation and other services are important factors in a business' decision to locate or expand. Amendment No. 1 recognizes the importance of improving public services. According to Amendment No. 1 provisions, up to 65 percent, ($48.75 million) of the first $75 million issue could be appropriated for new construction projects to improve public services. As discussed earlier, however, repair, replacement, and maintenance projects are more labor intensive than new construction projects, have the most immediate payback to the taxpayers, and can begin more rapidly. Therefore, the Governor recommends authorizing 49 percent ($36.75 million) of the $75 million bond issue for new construction projects so that $27 million (36 percent) may be directed for repair, replacement, and maintenance projects of new appropriation authority.

The $36.75 million in new appropriation authority is recommended as required by Amendment No. 1 provisions. In addition to the percentage allocations as required by Amendment No. 1, appropriation recommendations include allocations made by the Board of Public Buildings (BPB) as noted herein.

- $73,500 (0.2%), ($18,200 BPB) is recommended for the Department of Elementary and Secondary Education to enlarge food service storage and to renovate a dormitory at the School for the Deaf. Planning funds of $18,200 are provided for future renovation work of the dormitory which houses 80 hearing impaired students.

- $13,340,250 (36.3%), ($502,534 BPB) is recommended for the Department of Higher Education for renovation and construction at Missouri's colleges and universities. Major construction projects at the University of Missouri-Columbia campus include complete decontamination and renovation of Schweitzer Hall, toward which $853,877 in campus funds will be contributed. Funding of $3,185,000 for the Health Sciences Library will provide needed facilities to students and practitioners in the health professions. Private funds of $2,320,000 will complete construction of this library. Other major projects include $2,143,507 for renovation of the Science Hall at Northeast Missouri State University and $370,000 to begin remodeling of McDonald Arena at the Southwest Missouri State University campus. In addition, the Governor recommends authorization of the $7,034,500 Agriculture Engineering Building at Columbia and the Minerals Engineering Building at the University of Missouri-Rolla ($3,690,000 of which will be donated in private funds). Projects specifically designed to make our campuses accessible to the handicapped at twelve institutions will be provided through funding recommendations totaling $1,634,962. In addition, the Governor recommends $653,499 for energy conservation construction projects other than those provided through maintenance and repair. Planning funds of $502,534 are provided to supplement recommendations for the department's construction projects.

- $992,250 (2.7%), ($50,000 BPB) is recommended for Department of Agriculture projects at the State Fairgrounds in Sedalia. Projects include complete renovation of three buildings which house 4-H, Home Economics, and Varied Industries exhibits during the fair. Planning funds of $50,000 are recommended for study and preliminary design of an Exhibition Center for major agricultural shows and entertainment events, estimated cost $8.2 million.

- $5,549,250 (15.1%), ($171,750 BPB) is recommended for new construction and major renovations at thirty-six state parks operated by the Department of Natural Resources, in addition to statewide projects such as road paving. At Babler State Park, $210,000 is recommended to make a swimming pool accessible to the handicapped and other park improvements. At Bennett Spring, $243,000 is provided for construction of fifty campsites and a new interpretive center. Provision of $638,000 for facilities at Harry S. Truman and Lake Ozark will enhance park enjoyment through construction of docks, a campground beach, and a new visitor's center at Ozark Cavern. Numerous other projects are specifically designed to safeguard the condition and safety of our state park system. Planning funds of $171,750 supplement these recommendations for necessary design work.

- $698,250 (1.9%), ($39,500 BPB) is recommended for construction projects of the Department of Public Safety. FY 1983 funding of $55,000 for design of new armories at Kennett and St. Joseph will enable these communities to receive over $1.5 million in federal funds for future construction. Funds are also recommended for armories at Kansas City and Nevada and for purchase of the former Highway Patrol headquarters in Jefferson City for National Guard use. Supplementary planning funds of $39,500 are recommended for necessary design projects.

- $6,762,000 (18.4%), ($361,358 BPB) is recommended for urgent projects of the Department of Corrections and Human Resources. Many of these projects are designed for the most effective use of existing state facilities to meet institutional housing and treatment needs. For example, $1,000,000 is provided to convert the Boonville Training School for Boys to a minimum security facility for 500 offenders. At Fulton State Hospital, $500,000 is recommended to design a 250-bed maximum security intake and classification unit to be used for assigning inmates to the most suitable institution. Design funds of $133,000 will provide an additional 40 beds at the Biggs Building for inmates needing psychiatric care. The Governor also recommends $300,000 to develop a comprehensive study of institutional needs to plan future facility needs. Other projects are designed to make the most effective use of our corrections facilities including $1,580,000 for energy conservation projects.

- $6,247,500 (17.0%), ($628,083 BPB) is recommended for the Department of Mental Health. Several projects will make facilities eligible for federal reimbursement to the state: $1,033,660 to renovate the Woodson Building and $240,000 to design renovations for the Buchanan Building at St. Joseph State Hospital; and

$744,078 to renovate the Clinic Building at Fulton State Hospital. Funding of $133,000 is recommended to plan an additional 40 beds at the Biggs Building at Fulton to properly accommodate patients needing maximum security treatment. At Farmington State Hospital, $3,500,000 is provided to replace an inefficient and unreliable boiler system. This project will produce approximately $350,000 each year in energy savings.

- Finally, $1,249,500 (3.4%), ($66,075 BPB) is recommended for the Department of Social Services. The Governor recommends $1,000,000 to provide adequate facilities for 120 youth needing treatment. Funds will be used to acquire or renovate existing facilities including a reception center for incoming youth. Also provided is $265,575 in funds for a central compressed air system and telemetry monitoring unit at the Chest Hospital and $55,000 for the State Cancer Center to install a sprinkler system needed for adequate fire protection and national accreditation.

In summary, Governor Bond recommends a $75 million authorization for construction and economic development projects as the first projects to be funded from the $600 million bond issue. Thirty-six percent ($27 million) is recommended for repair, maintenance and replacement projects; 15 percent ($11.25 million) for economic development projects; and 49 percent ($36.75 million) for new construction projects.

OMNIBUS APPROPRIATIONS BILL

The Governor recommends an omnibus appropriation bill to implement four economic development initiatives passed during the last session, appropriate new cigarette tax revenue to school districts, make essential appropriations for legal defense costs of the Missouri Attorney General, allow the Department of Revenue to implement the measure to increase interest penalties on delinquent taxes passed this year, operate our state parks and to reimburse counties for the state's share of the costs of the June 8 special election.

Missouri Economic Development Act

The availability and affordability of capital is crucial to business expansion, particularly with respect to small businesses. In a 1979 survey of 2,193 businesses conducted by the National Federal of Independent Businesses, high interest rates were cited as the most severe problem facing small businesses.

Ninety-three percent of Missouri's 100,000 business establishments have fewer than 50 employees. According to a study by the Massachussetts Institute of Technology, about 75 percent of all jobs in the United States are created by firms having fewer than 50 employees. Private capital markets do not meet small business demand for expansion capital. Banks, which are a primary source of capital for small businesses, tend to ration capital. Capital is allocated on the basis of perceived risk categories. New businesses, perceived as risky investments, are either denied bank capital or are given only short term loans. Small business risk is often misperceived, because the loss rate on regular small business loans is

less than one-half percent. Small business loan programs in other states (established as early as 1955 in Pennsylvania and 1969 in Illinois) have experienced very low loss rates (0.01% and 0% respectively).

The Missouri Economic Development Act addresses both the availability and the cost of capital. The Act offers limited guarantees for loans and industrial revenue bonds, two cost-effective programs which nineteen other states have proven can reduce the cost of capital and increase its availability.

The Act creates a nine member commission authorized to issue 90 percent guarantees for qualified private loans of up to $1 million to finance machinery, equipment, land, and buildings for industrial and agricultural facilities. The loan guarantees will not be an obligation or indebtedness of the State. The guarantees will be secured by the Economic Development Reserve Fund. The Reserve Fund will receive funds from three sources, including a recommended appropriation of $1 million from state general revenue; participation fees from borrowers equal to two percent of principal guaranteed; and donations from the private sector in return for fifty percent state income tax credits.

The loan guarantees can decrease borrowing costs from two to three percentage points, making financing feasible for more firms. The Reserve Fund is estimated to leverage $100 million in bank lending. An analysis of the state's economy by University of Missouri economists concludes that investment of this magnitude will generate 5,000 jobs and $300 million in economic growth.

The Commission will also guarantee qualified industrial development revenue bonds. The ability to issue revenue bonds for high growth firms is a vital tool in local efforts to attract and retain jobs. The Economic Development Act empowers the Commission to guarantee bond issues of industrial development corporations, port authorities, land clearance for redevelopment authorities, municipalities, and planned industrial expansion authorities. An Industrial Development Fund is established to receive appropriations, 1 percent guarantee fees, and 0.5% annual premium payments. The Fund will accumulate capital to guarantee 100% of revenue bonds approved by the Commission. Arkansas has demonstrated the value of state guarantees for local revenue bonds. Created in 1967, the Arkansas Industrial Revenue Bond Guarantee Authority has covered 104 issues totaling $58 million. Arkansas officials estimate the guarantee has created 10,000 jobs. The authority has yet to incur a loss on a guaranteed issue.

The Enterprise Zone Act

While the statewide unemployment rate is declining, Missouri has pockets of poverty where the unemployment rate exceeds 20 percent. The Missouri Enterprise Zone Act targets business tax incentives toward these underdeveloped areas to create a more favorable business climate.

Investment in zone facilities will increase, and new job opportunities for zone residents will be created.

After holding public hearings, municipalities or counties may request zone designation. Several areas are already developing petitions. The Department of Consumer Affairs, Regulation and Licensing will designate enterprise zones using statutory population, income, and unemployment criteria. Firms located in enterprise zones will be eligible for an investment tax credit equal to 10 percent of the first $10,000 invested, 5 percent of the next $90,000, and 2 percent of the remaining investment. A tax credit of up to $1,200 will also be available for each new employee hired, as will an employee training credit of up to $400 for each new employee who is a zone resident or who is considered unemployable. In addition, up to one-half the income earned by a zone business can be exempt from state income taxation. These tax credits are available for up to ten years. After ten years, when zone firms are more profitable, businesses would no longer receive the tax inducements. Because new businesses frequently do not generate significant profits during their start-up years, the enterprise zone tax credits are partially refundable. If a business' tax credit exceeds its tax liability during its first two years of operation within a zone, up to $75,000 in tax credits may be refunded.

The Enterprise Zone Act is more than a state/private sector partnership. Local governments will also participate in zone revitalization. Local governments will offer relocation assistance where needed for zone residents, additional police protection, and waivers of burdensome ordinances and regulations.

Enterprise zones offer a substantial rate of return. Only $103,500 is needed to administer the program for FY 1983. Using a typical example, it is estimated that 500 jobs and $5.8 million in new investment will be generated in each enterprise zone.

Industrial Development Funding Authority

A well maintained and diversified infrastructure, the support network of our economy, is as important to creating jobs as adequate financing. Missouri, however, is not adequately investing in its infrastructure. According to United States Department of Commerce data, Missouri's investment in infrastructure is declining. From 1970 to 1980, real state and local government expenditures for infrastructure declined by 31 percent.

The Industrial Development Funding Authority will increase infrastructure investment. The act creates a seven-member board which may extend low-interest loans to port authorities, the Bi-State Development Agency, municipalities, planned industrial expansion authorities, and industrial development corporations for capital improvements needed to attract and retain industry. The loans will be used for site development costs including land, buildings, machinery, equipment, roads, rail and utility lines, and relocation expenses.

The Industrial Development Fund may be capitalized from seven sources: up to $5 million in general revenue appropriations, state

revenue bond proceeds, borrower application fees; donations; loan principal and interest repayments; fund investment earnings; and board revenue bond proceeds.

To reverse the infrastructure disinvestment trend, an initial appropriation of $1.5 million from general revenue to the Industrial Development Fund is needed. It should be noted that the Authority is required by statute to reimburse any general revenue appropriated to it. Benefits clearly exceed Authority costs. This initial general revenue appropriation is projected to create $4.4 million in economic activity.

Research Assistance Act

The Research Assistance Act received overwhelming support from the General Assembly in the 1982 regular session as part of the Governor's economic development package. The purpose of the Act is to promote research projects and applied projects which will enhance employment opportunities, stimulate economic development and encourage private investment.

Our public institutions of higher education play a strong role in developing the state's economy. Colleges and Universities train people to meet the skilled labor needs of industries. The National Governors' Association Task Force on Technological Innovation recently found that research is an important basis for future growth and improvement in the quality of life. Universities should be assisted in more closely linking their research and development efforts with technological innovation which contributes to economic progress. It is essential that Missouri make this commitment to university business linkages.

A recent report on science and engineering education issued by the National Science Foundation and the U.S. Department of Education put the challenge succinctly: "the economic well-being, security, health, and safety of Americans during the remaining two decades of this century and beyond will depend increasingly on our ability as a nation to strengthen our technological and scientific enterprise." Missouri must compete successfully in the national and international arenas. It is important that we be a leader in university business cooperation to strengthen and expand our state's technological and scientific enterprise. Indeed, the Research Assistance Act quickly is becoming a model for addressing university business cooperation in other states.

The Research Assistance Act commits Missouri to developing university expertise and the labor pool of engineers, scientists and technicians that will be needed to meet the present and future needs of Missouri employers and businesses.

The Act will provide incentives for university business cooperation by providing state funds for "challenge grants" which our public institutions can use to match private-sector funds to pursue research and applied projects.

The University of Missouri's Board of Curators will administer a Higher Education Research Fund. An appropriation of $1 million is recommended for this fund for the remaining ten months of FY 1983. These funds will be matched on a 1:2 basis with funds provided by business for basic research projects approved by the Board of Curators.

The Board of Curators and the Coordinating Board for Higher Education have approved policies and procedures for the administration of the Fund. These procedures provide for the creation of a Steering Committee, composed of University and non-university personnel which is charged with responsibility for developing specific selection criteria, arranging for peer reviews and making funding recommendations. The President of the University will review the steering committee's work and make recommendations to the Board of Curators for final approval.

A Higher Education Applied Projects Fund will be administered by the Coordinating Board for Higher Education. An appropriation of $500,000 is recommended for this Fund for the remaining ten months of FY 1983 for applied projects conducted by the regional colleges and universities. Business sector funds will be matched on a one-to-one basis. Policies and procedures regarding this Fund have been established by the Coordinating Board.

An advisory committee composed of university presidents, businessmen and Coordinating Board members is already developing detailed guidelines governing the application, evaluation, and selection of applied project proposals.

Education

Earlier this year the General Assembly approved a measure which generates new funds for our public schools through a four cent per pack increase in the state cigarette tax. It is estimated that this additional tax will generate about $22 million for local schools in the remaining ten months of FY 1983.

These monies are to be deposited in a "Fair Share Fund" to be distributed to school districts on the basis of average daily attendance. Each school district will receive approximately $30 per pupil in FY 1983 from the increased tax. When added to the $26 million increase recommended by the Governor and appropriated for schools through the foundation plan, average state aid per pupil will increase by 10 percent in FY 1983.

No appropriation measure accompanied the law enacting the new tax, and the normal pace of legislative business would delay this much-needed state aid until passage of emergency appropriations in the spring of 1983. This delay would impair the ability of school boards to plan for the school year which begins in August. Prompt approval of emergency appropriations will improve the quality of education in every school district in Missouri.

Collection of Delinquent Taxes

Tax delinquencies have stolen from the ability of state and local government to provide vital public services. Inadequate penalties have actually encouraged individuals and firms to delay their tax payments deliberately. Before the passage of HB 1351 in the 1982 legislative session, state law allowed the Missouri Department of Revenue to charge only 6 percent interest on most delinquent taxes. This rate is far lower than that which could be obtained from interest-bearing securities. HB 1351 will turn the tables by linking the delinquent tax penalty to the adjusted prime interest rate and by setting a twelve percent floor should the prime rate go lower.

The Department of Revenue estimates that the new penalty rate will produce $2.6 million additional revenues for the state each year. Because no funds were made available to defray the cost of implementing this new policy, the Governor recommends an emergency appropriation of $241,000 for FY 1983. This amount will provide the computer system design changes

which are necessary to make essential technical modifications to more than one hundred tax collection computer programs.

State Election Costs

Senate Bill 526, passed by the General Assembly last spring and signed by the Governor on May 20, reformed more than forty sections of state law dealing with elections, special districts and local public officials. One important provision of SB 526 corrected a long-standing injustice felt by cities, counties and other political subdivisions. Previous law required local authorities to pay the cost of statewide issues placed on local election ballots. SB 526 corrected this inequity by providing that the state bear its proportionate share of such election costs.

In preparation for the June 8 special election on Amendment No. 1, the Governor and legislative leaders agreed that the state would reimburse local authorities for its share of the costs of that election as soon as funds could be appropriated. The Secretary of State reports that the state's share of the cost is approximately $882,000.

Legal Defense of the State and State Officials

The Attorney General of Missouri is charged with protecting the best interest of the state, defending the state and prosecuting appeals to which the state is a party, and acting on behalf of state employees who are the subject of litigation.

The Attorney General recently has incurred extraordinary expenses which were unforeseen as the 1982 Regular Session of the General Assembly deliberated: first, the Attorney General is involved in a number of unusually costly cases, including several before the Supreme Court of the United States; second, there are several cases in which the Attorney General cannot represent former state employees because of conflict-of-interest prohibitions (an amount of $20,500 is needed to retain independent counsel for this purpose); third, recent settlements have seriously depleted the Tort Defense Fund such that the FY 1983 appropriation of $100,000 now stands at only $15,000.

Full defense of the public interest is crucial to the conduct of state government, and the Governor therefore recommends a total emergency appropriation of $105,500 for these purposes.

State Parks

The General Assembly in the 1982 Regular Session authorized use of monies from the State Parks Earnings Fund to meet operating expenses of the state park system. Funds newly allocated for salaries of essential field personnel were insufficient to cover the mandatory additional costs of contributions for retirement and other charges based on salaries. Earnings to the fund during FY 1983 will not be sufficient to cover the fringe benefit appropriations. Therefore, an emergency appropriation of $335,601 is recommended for staff fringe benefits.

OTHER LEGISLATION

Water Pollution Control Bonds

Missouri's general obligation water pollution control bonds finance the state's share of waste water treatment plant construction costs. The water pollution control bonds are no longer marketable because the existing statutory interest cap is not competitive. Legislative action is needed to eliminate this cap so that bonds already authorized may be sold. A $20 million bond issue to finance waste water treatment plants in more than 400 Missouri communities this year depends on this action.

Clerks of Counties of the Third and Fourth Classes

State law regarding the salaries of elected county officials had grown increasingly out of date before passage of Senate Bill 478 in the 1982 Regular Session of the General Assembly. Antiquated ceilings on salaries and inequities among offices in counties of different classes were two problems which this measure addressed. As enacted, however, SB 478 omitted provisions for clerks of counties in the third and fourth classes. Clerks are vital officials in those counties, performing functions of a variety of officials in other counties. They are the chief election officials of their counties, the chief fiscal officers, and are called upon to perform other essential administrative duties.

The omission of these officers from SB 478 represents a serious problem in light of the Constitutional prohibition against officials receiving salary increases during their terms of office. The salaries of clerks of third and fourth class counties have been fixed since 1978 and, if not raised before January 1, 1983, will remain frozen at that level until 1987. Ninety-four counties are affected.

The Governor recommends prompt enactment of emergency legislation to authorize county governing bodies and county compensation boards to allow salary increases for clerks in third and fourth class counties.

APPENDICES

TOTAL APPROPRIATIONS SUMMARY--FY 1983

CONSTITUTIONAL AMENDMENT NO. 1 APPROPRIATIONS

Department	Third State Building Fund: Construction	Third State Building Fund: Maintenance and Repair	Third State Building Fund: Economic Development	General Revenue and Revenue Sharing Funds	Other Funds	Total
Elementary and Secondary Education	91,700	787,852		36,495	0	916,047
Higher Education	13,842,784	7,270,640		0	2,320,000	23,433,424
Office of Administration	0	1,227,280		94,400		1,321,680
Agriculture	1,042,250	274,193		91,966		1,408,409
Natural Resources	5,721,000	1,627,040		285,047		7,633,087
Public Safety	737,750	2,395,886		154,615	165,000	3,453,251
Corrections and Human Resources	7,123,358	3,197,267		555,815	823,356	11,699,796
Mental Health	6,875,583	9,148,551		773,669		16,797,803
Social Services	1,315,575	1,071,291		400,605		2,787,471
Economic Development Projects			11,250,000			11,250,000
Subtotal	36,750,000	27,000,000	11,250,000	2,392,612	3,308,356	80,700,968
OMNIBUS APPROPRIATIONS				5,926,937	22,000,000 E	27,926,937
GRAND TOTAL	36,750,000	27,000,000	11,250,000	8,319,549	25,308,356	108,627,905

THIRD STATE BUILDING FUND -- NEW AUTHORIZATION SUMMARY FY 1983

Department/Project	Construction (49%)	Maintenance and Repair (36%)	Economic Development (15%)	Total
Elementary and Secondary Education	$ 91,700	$ 444,347		$ 536,047
Higher Education	13,842,784	7,270,640		21,113,424
Office of Administration		1,321,680		1,321,680
Agriculture	1,042,250	295,285		1,337,535
Natural Resources	5,721,000	1,654,587		7,375,587
Public Safety	737,750	1,950,507		2,688,257
Corrections and Human Resources	7,123,358	3,418,878		10,542,236
Mental Health	6,875,583	9,496,495		16,372,078
Social Services	1,315,575	1,147,581		2,463,156
Highways and Transportation				
Highway Related			2,250,000	2,250,000
Non Highway Related			2,250,000	2,250,000
Storm Water Projects			2,250,000	2,250,000
Soil and Water Projects			2,992,500	2,992,500
Public Water and Sewer Projects			1,507,500	1,507,500
TOTAL	36,750,000	27,000,000	11,250,000	75,000,000

THIRD STATE BUILDING FUND

BOARD OF PUBLIC BUILDINGS--SUMMARY

Departments	Recommendations Based on Formula @ 49%		Board of Public Buildings Recommendation	Total Recommendation	
Elementary and Secondary Education	73,500	(0.2%)	18,200	91,700	(0.2%)
Higher Education	13,340,250	(36.3%)	502,534	13,842,784	(37.7%)
Agriculture	992,250	(2.7%)	50,000	1,042,250	(2.8%)
Natural Resources	5,549,250	(15.1%)	171,750	5,721,000	(15.6%)
Public Safety	698,250	(1.9%)	39,500	737,750	(2.0%)
Corrections and Human Resources	6,762,000	(18.4%)	361,358	7,123,358	(19.4%)
Mental Health	6,247,500	(17.0%)	628,083	6,875,583	(18.7%)
Social Services	1,249,500	(3.4%)	66,075	1,315,575	(3.6%)
Subtotal	34,912,500		1,837,500	36,750,000	(100%)
Board of Public Buildings	1,837,500	(5.0%)			
TOTAL	36,750,000	(100%)			

THIRD STATE BUILDING FUND

BOARD OF PUBLIC BUILDINGS FUND

DEPARTMENT/FACILITY ITEM	GOVERNOR RECOMMENDS TOTAL PROJECT	BOARD ALLOCATION *
ELEMENTARY AND SECONDARY EDUCATION		
School for the Deaf		
Design of Rice Hall Dormitory Renovation	$24,000	$18,200
HIGHER EDUCATION		
Central		
Handicapped Accessibility	69,890	4,990
Renovate Morris Science Hall	512,462	36,600
Southeast		
Handicapped Accessibility	108,325	7,740
Southwest		
Handicapped Accessibility	12,674	905
McDonald Arena Remodeling (Phase I)	370,000	77,860
Lincoln		
Handicapped Accessibility	184,556	13,180
Northeast		
Replacement of Windows	89,717	6,408
Handicapped Accessibility	28,011	2,000
Renovation of Science Hall (Phase I)	2,143,507	180,000
Northwest		
Energy-Install Window Shutters	9,550	700
Handicapped Accessibility	97,590	6,970
Southern		
Handicapped Accessibility	198,000	14,140
Replace Fume Hoods in Reynolds Hall	62,000	4,430

THIRD STATE BUILDING FUND

BOARD OF PUBLIC BUILDINGS

DEPARTMENT/FACILITY ITEM	GOVERNOR RECOMMENDS TOTAL PROJECT	BOARD ALLOCATION *
Harris Stowe		
Classroom Renovations	627,484	44,820
UNIVERSITY OF MISSOURI CAMPUSES		
Columbia		
Handicapped Accessibility	59,414	4,240
Kansas City		
Energy Management	123,080	8,790
Handicapped Accessibility	138,804	9,915
Rolla		
Energy Management	366,152	26,150
Handicapped Accessibility	308,368	22,030
St. Louis		
Handicapped Accessibility	95,551	6,825
University of Missouri Hospital		
Handicapped Accessibility	333,779	23,841
AGRICULTURE		
Missouri State Fair		
Study and Design of Exhibition Center	50,000	50,000
NATURAL RESOURCES		
Parks and Historic Preservation		
Design for Renovations at Various State Parks	243,000	171,750

THIRD STATE BUILDING FUND

BOARD OF PUBLIC BUILDINGS

DEPARTMENT/FACILITY ITEM	GOVERNOR RECOMMENDS TOTAL PROJECT	BOARD ALLOCATION *
PUBLIC SAFETY		
Adjutant General		
Alterations to Camp Clark Multi-Purpose Building	61,590	4,500
Design New Armory at St. Joseph	140,000	35,000
CORRECTIONS AND HUMAN RESOURCES		
Adult Institutions		
Planning and Design of a Divisional Diagnostic Center	500,000	312,004
Economic Feasibility Study of Farm Operations	49,354	49,354
MENTAL HEALTH		
Central Office		
Demolish Old Buildings at Fulton, Farmington, and Marshall	800,765	55,083
St. Joseph State Hospital		
Plan the Renovation of the Buchanan Building	240,000	240,000
Fulton State Hospital		
Planning of 40-Bed Addition to the Biggs Building	133,000	133,000
Marshall State School and Hospital		
Planning of New Dietary Facility	200,000	200,000

THIRD STATE BUILDING FUND

BOARD OF PUBLIC BUILDINGS

DEPARTMENT/FACILITY ITEM	GOVERNOR RECOMMENDS TOTAL PROJECT	BOARD ALLOCATION *
SOCIAL SERVICES		
Ellis Fischel Cancer Center		
Sprinkler System	50,000	3,600
Youth Services Division		
Acquire facilities providing 120 bed spaces	1,305,350	62,475
TOTAL		$1,837,500

*The Board of Public Buildings allocation is included in the Governor's recommendation for total project costs.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
ELEMENTARY AND SECONDARY EDUCATION			
School for the Deaf - Fulton			
Enlarge food service storage in McKee Building	67,700	67,700	Project will enable larger quantity purchase of food, thereby reducing operating costs.
Renovate Rice Hall Dormitory	24,000	240,000	Renovation of dormitory for approximately 80 hearing impaired students.
Total Construction	91,700	307,700	
School for the Blind - St. Louis			
Maintenance and Repair	34,969		Replacement of student lockers and addition of ceiling tile in halls.
School for the Deaf - Fulton			
Maintenance and Repair	68,914		

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
ELEMENTARY AND SECONDARY EDUCATION (Continued)			
State School for Severely Handicapped			
Helen M. Davis School-St. Joseph			
Maintenance and Repair	137,118		Replace two heating and cooling units in classrooms.
Miscellaneous maintenance and repair items	203,346		Painting, replacing carpeting, and resurfacing asphalt driveways.
Total Maintenance and Repair	444,347		
DEPARTMENTAL TOTAL	536,047	307,700	
HIGHER EDUCATION			
Central (Warrensburg)			
Handicapped Accessibility	69,890	69,890	
Renovate Morris Science Hall	512,462	512,462	To renovate science auditorium, improve ventilation in building and labs and renovate other internal systems and structures.
Maintenance	18,400		
TOTAL	600,752	582,352	

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
HIGHER EDUCATION (Continued)			
Southeast (Cape Girardeau)			
Handicapped Accessibility	108,325	108,325	
Serena Building Addition	388,855	388,855	To complete third level of east wing to increase space for student labs.
Maintenance	110,120		
TOTAL	607,300	497,180	
Southwest (Springfield)			
Handicapped Accessibility	12,674	12,674	
Pummill Hall Ventilation System	65,000	65,000	
McDonald Arena Remodeling (Phase I)	370,000	1,170,000	Renovation project includes waterproofing, painting, and provision for laundry space.
Maintenance	149,088		
TOTAL	596,762	1,247,674	
Lincoln (Jefferson City)			
Handicapped Accessibility	184,556	184,556	
Renovate Eliff and Schweich Halls (Phase II)	505,692	505,692	Renovation to complete mechanical, electrical and plumbing renovations and other work.
Maintenance	240,918		
TOTAL	931,166	690,248	

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
HIGHER EDUCATION (Continued)			
Northeast (Kirksville)			
Replacement Windows	89,717	89,717	
Handicapped Accessibility	28,011	28,011	
Renovate Science Hall (Phase I)	2,143,507	2,546,807	Renovation of 1955 portion of building includes energy conservation, handicapped accessibility, safety considerations and general building deterioration.
Maintenance	1,085,234		
TOTAL	3,346,469	2,664,535	
Northwest (Maryville)			
Energy Conservation	9,550	9,550	
Handicapped Accessibility	97,590	97,590	
Maintenance	398,750		
TOTAL	505,890	107,140	
Southern (Joplin)			
Handicapped Accessibility	198,000	198,000	
Replace Fume Hoods-Reynolds	62,000	62,000	Replacement of unsafe equipment to allow use of laboratory space.
Maintenance	38,150		
TOTAL	298,150	260,000	

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
HIGHER EDUCATION (Continued)			
Western (St. Joseph)			
Acoustical Remodeling-Fine Arts	174,000	174,000	To improve acoustical isolation of areas for more effective use of available space.
Maintenace	149,225		
TOTAL	323,225	174,000	
Harris Stowe (St. Louis)			
Classroom Renovation	627,484	627,484	To renovate lighting, walls, floors in classrooms in building constructed in 1925.
Maintenance	358,028		
TOTAL	985,512	627,484	
UNIVERSITY OF MISSOURI CAMPUSES			
Columbia (Campus/Hospital)			
Handicapped Accessibility	393,193	393,193	
Renovate Schweitzer Hall	2,585,323	2,585,323	An additional $853,877 in campus funds will be contributed to the project. Renovation of 1912 building and removal of residual low level radiation.
Health Sciences Library	3,185,000	3,185,000	An additional $2,320,000 in private funds will be contributed to complete this project. Library will serve students and practitioners of medicine, nursing and health related professions.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
HIGHER EDUCATION (Continued)			
Agriculture Engineering Building	-	7,034,500	To replace three old buildings with modern research laboratories and facilities.
Maintenance	3,238,791		
TOTAL	9,402,307	13,198,016	
Kansas City			
Energy Management	123,080	123,080	
Handicapped Accessibility	138,804	138,804	
Maintenance	287,385		
TOTAL	549,269	261,884	
Rolla			
Energy Management	366,152	366,152	
Handicapped Accessibility	308,368	308,368	
Mineral Engineering Building	-	14,765,000	An additional $3,690,000 in private funds will be contributed to the project which will consolidate six related disciplines into one building.
Maintenance	869,085		
TOTAL	1,543,605	15,439,520	

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
HIGHER EDUCATION (Continued)			
St. Louis			
Handicapped Accessibility	95,551	95,551	
Optometry Renovation	1,000,000	1,000,000	To convert existing space into examination and waiting rooms, darkrooms and provide space for medical records, research labs, and administrative offices.
Maintenance	327,466		
TOTAL	1,423,017	1,095,551	
DEPARTMENTAL TOTAL	21,113,424	36,845,584	Note: An additional $2,320,000 in private funds for construction of the Health Sciences Library is recommended which is not reflected in the Third State Building Fund.
OFFICE OF ADMINISTRATION			
Maintenance - Capitol Complex	1,321,680		Normal maintenance and repair to the seven buildings within the Capitol Complex.
DEPARTMENTAL TOTAL	1,321,680		

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
AGRICULTURE			
State Fair Grounds (Sedalia)	992,250	992,250	Includes renovations to the Administration, 4-H, Home Economics and Varied Industries Buildings.
Exhibition Center Planning	50,000	8,200,000	Study and preliminary design of an Exhibition Center and/or renovation at the coliseum for major exhibitions and entertainment events.
Maintenance	295,285		
DEPARTMENTAL TOTAL	1,337,535	9,192,250	
NATURAL RESOURCES			
Acquisition			
Acquire leased properties	400,000	400,000	Acquisition of leased tracts at Prairie State Park and Onondaga Cave.
Acquire inholdings	350,000	350,000	Purchase of land within park boundaries.
Historic Preservation Revolving Fund			
Acquisition and renovation of properties	100,000	100,000	Acquisition and renovation of historic properties for subsequent sale.
Statewide road and parking upgrading	700,000	700,000	Paving of access and campground roads and parking lots in 10 parks.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
NATURAL RESOURCES (Continued)			
Renovation of Historic Properties	50,000	50,000	Major renovations and installation of handicapped-accessible facilities.
Region I: New interpretive shelters	10,000	10,000	Construction of information/ orientation facilities at four parks.
Region III: New shop building	45,000	45,000	Heavy equipment repair shop at Regional Headquarters.
Arrow Rock (Arrow Rock, Saline County)	76,000	76,000	Trail and display renovation, historic building restoration, and water district connection.
Babler (St. Louis County)	210,000	210,000	Renovation of picnic area, change house for pool at group camp for the handicapped, entrance station, and pasture and fencing for horse concession.
Battle of Athens (Athens, Clark County)	25,000	25,000	Archaeological research and old hotel renovation.
Battle of Lexington (Lexington, Lafayette County)	180,000	180,000	Anderson House restoration.
Bennett Spring (Lebanon)	243,000	323,000	Campsite construction, major renovations, fire alarms and extinguishers.
Big Lake (Bigelow, Holt County)	40,000	340,000	Design of cabins, renovation of air conditioning in lodge.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
NATURAL RESOURCES (Continued)			
Big Oak Tree (East Prairie, Mississippi County)	10,000	10,000	Replacement of shelter for exhibit.
Bollinger Mill (Burfordville, Cape Girardeau County)	5,000	5,000	Phase II of interpretive exhibit construction.
Boone's Lick (Boonesboro, Howard County)	1,000	1,000	Interpretive display renovations.
Castlewood (Ballwin, St. Louis County)	83,000	83,000	Restoration of Majestic site and construction of entrance station.
Confederate Memorial (Higginsville, Lafayette County)	125,000	125,000	Renovation of six lakes.
Cuivre River (Troy, Lincoln County)	259,000	941,000	Design of sewer system, camp renovation, burial of overhead power lines.
Ha Ha Tonka (Camdenton, Camden County)	25,000	25,000	Construction of gate at cave entrance and renovation of residence.
Harry S. Truman (Warsaw, Benton County)	293,000	293,000	Construction of docks, campground beach, and change house.
Hunter Dawson (New Madrid, New Madrid County)	57,000	57,000	Restoration and interpretive displays.
Johnson's Shut-Ins (Middle Brook, Reynolds County)	25,000	25,000	Trail renovation.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
NATURAL RESOURCES (Continued)			
Knob Noster (Knob Noster, Johnson County)	140,000	140,000	Camp renovation and visitor center displays.
Lake Ozark (Kaiser, Camden/ Miller Counties)	345,000	345,000	Replacement of visitors' center, sewer system modification, and construction of service building.
Mark Twain (Stoutsville, Monroe County)	230,000	350,000	Major renovations, sewer construction.
Mastodon (Imperial, Jefferson County)	120,000	870,000	Construction of residence and design of museum.
Meramec (Sullivan, Franklin County)	55,000	55,000	Construction of sewers and amphitheater.
Missouri Mines (Flat River, St. Francois County)	50,000	50,000	New interpretive display.
Montauk (Salem, Dent County)	11,000	11,000	Includes reroofing of motel.
Onondaga Cave (Leasburg, Crawford County)	85,000	85,000	Construction of service building, renovation of cavewalks and electrical system.
Pomme de Terre (Pittsburg, Hickory County)	70,000	70,000	Lagoon improvement.
Prairie (Liberal, Barton County)	45,000	45,000	Burial of overhead power lines, completion of campground.
Roaring River (Cassville, Barry County)	200,000	617,000	Major renovations at lodge, campground, and entrance station.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
NATURAL RESOURCES (Continued)			
St. Joe (Elvins, St. Francois County)	20,000	20,000	Path renovation.
Stockton (Dadeville, Wayne County)	50,000	50,000	Burial of power lines, construction of storage building and new dock parking lot.
Table Rock (Branson, Stone/ Taney Counties)	200,000	200,000	Connection of water supply, campground renovation.
Thousand Hills (Kirksville, Adair County)	80,000	80,000	Restaurant expansion and replacement of shelters.
Trail of Tears (Jackson, Cape Girardeau County)	50,000	470,000	Design of museum.
Truman Home (Lamar, Barton County)	3,000	3,000	Restoration of interior.
Wakonda (LaGrange, Lewis County)	5,000	5,000	Renovation of lake spillway.
Washington (DeSoto, Washington County)	500,000	500,000	Major renovation of sewer system.
Watkins Mill (Lawson, Clay County)	150,000	150,000	Replacement of beach, burial of power lines and installation of fire control equipment.
Total Construction	5,721,000	8,490,000	Note: An additional $108,000 in General Revenue is recommended for renovation of the Division of Geology and Land Survey warehouse in Rolla. This amount is not reflected in the Third State Building Fund total.
Total Maintenance and Repair	1,654,587		
DEPARTMENTAL TOTAL	7,375,587	8,490,000	

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
PUBLIC SAFETY			
Kansas City Armory	20,160	20,160	To provide a secure parking area for military vehicles at the Kansas City armory.
Camp Clark (Nevada)	61,590	61,590	Completion of the multipurpose at Camp Clark.
Kennett Armory	20,000	240,000	An additional $720,000 in federal funds will be contributed for planning and construction of this new armory to replace the existing facility.
St. Joseph Armory	35,000	262,500	An additional $787,500 in federal funds will be contributed for planning and construction of this new armory to replace the existing facility.
Purchase Troop F. Headquarters (Jefferson City)	300,000	300,000	Funding will allow acquisition of the vacant Highway Patrol Troop F Headquarters in Jefferson City.
SHP Headquarters Supply Bldg. (Jefferson City)	301,000	301,000	Funding will provide a major addition to the main supply building at the Highway Patrol's General Headquarters.
Maintenance and Repair	1,950,507		
DEPARTMENTAL TOTAL	2,688,257	1,185,250	Note: An additional $165,000 in federal funds is recommended for planning of the Kennett and St. Joseph Armories. This amount is not included in the Third State Building Fund total.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
CORRECTIONS AND HUMAN RESOURCES			
Planning for classification diagnostic complex (Fulton)	500,000	18,000,000	The classification and diagnostic center will interview, test and screen all incoming inmates for assignment to the most suitable institution. The complex will be a 250-bed maximum security facility.
Boonville Correctional Center	1,305,350	1,000,000	Will provide the necessary renovations and additional security to convert the Boonville facility to a minimum security 500-bed facility for the Department of Corrections.
Biggs Building Renovation - Fulton	133,000	2,800,000	An additional 40 beds will be provided for inmates needing psychiatric care in cooperation with the Department of Mental Health.
Planning Funds for Master Plan to provide additional bed space	300,000	300,000	The Division of Adult Institutions has approximately 1,600 inmates over the designed maximum capacity. A master plan is needed to properly design and plan for institutional needs.
Mo. State Penitentiary - Jefferson City	3,230,463	2,307,200	Construction and maintenance projects include improvements in the security and electrical systems, and energy retrofit projects with an annual operations payback of $375,836.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
CORRECTIONS AND HUMAN RESOURCES (Continued)			
Missouri Eastern Correctional Center - Pacific	240,000	240,000	Necessary improvements associated with increasing the facility's capacity.
Missouri Intermediate Reformatory - Jefferson City	1,017,520	961,300	Included are funds for renovating restrooms, restoring Dorm #6 and energy retrofitting.
Central Missouri Correctional Center - Jefferson City	74,445	59,445	Will provide for a waste water study and expansion of cold storage area.
Missouri Training Center for Men - Moberly	371,444	51,220	Necessary maintenance and repair projects and the construction of a small ice plant.
Training Academy Expansion - Jefferson City	859,669	859,669	The recommendation will provide a training facility adequate for the training needs of the department.
Farms Infrastructure	610,950	610,950	The recommendation will enable the Farm program to centralize the hog operation and provide for meat processing at the Missouri Intermediate Reformatory at Algoa.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
CORRECTIONS AND HUMAN RESOURCES (Continued)			
Economic Feasibility Study of Farm Operations	49,354	49,354	Study to determine the most efficient and appropriate use of farm programs.
Divisionwide Maintenance and Repair	1,850,041		
DEPARTMENTAL TOTAL	10,542,236	27,239,138	Note: An additional $823,356 from the Working Capital Revolving Fund is recommended for two departmental projects. This amount is not reflected in the Third State Building Fund total.
MENTAL HEALTH			
St. Joseph State Hospital			
Renovation of Woodson Bldg.	1,033,660	1,033,660	Provision of additional space for 35 children and youth who are in need of treatment. It also allows the facility to meet Medicaid/Medicare Standards.
Planning Renovation Buchanan Bldg.	240,000	3,500,000	This project will plan for life safety code corrections and renovation of the Receiving and Intensive Care unit to bring the building into Medicare/Medicaid Compliance.
Maintenance	1,198,507		
TOTAL	2,472,167	4,533,660	

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
MENTAL HEALTH (Continued)			
St. Louis State Hospital			
Fire Safety	112,000	112,000	Correction of fire safety deficiencies for the Youth Center.
Maintenance	1,617,326		
TOTAL	1,729,326	112,000	
Fulton State Hospital			
Renovation of Clinic Bldg. (Phase II)	744,078	744,078	Renovation of three wards to meet all standards and life safety code for accreditation; will generate a estimated $72,000 in federal funding annually.
Addition to Biggs - Planning	133,000	2,800,000	This project will add 40 Forensic beds to the overcrowded Biggs Building.
Fire Safety Items	112,080	112,080	Will improve life-safety codes.
Maintenance	465,135		
TOTAL	1,454,293	3,656,158	
Nevada State School and Hospital			
Maintenance	1,107,491		

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
MENTAL HEALTH (Continued)			
Farmington State Hospital			
Boiler Installation	3,500,000	3,500,000	The facility is using a 25 year old gas/oil fired boiler. In case of failure the institution would be forced to rely upon two forty-five year old boilers and a sixty year old boiler. The new coal fired boiler could save $362,550 per year in fuel cost.
Maintenance	1,541,299		
TOTAL	5,041,299	3,500,000	
Marshall State School & Hospital			
Planning Dietary Facility	200,000	2,500,000	Planning funds to replace the existing dietary kitchen constructed in 1904.
Maintenance	1,750,998		
TOTAL	1,950,998	2,500,000	
Higginsville State School and Hospital			
Maintenance	324,088		
Western Mo. Mental Health Center			
Kansas City - Maintenance	809,558		
Mid-Mo. Mental Health Center			
Columbia - Maintenance	67,291		
Malcom Bliss Mental Health Center			
Maintenance	427,840		

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
MENTAL HEALTH (Continued)			
St. Louis State School and Hospital			
Maintenance	40,768		
Regional Centers - Maintenance	146,194		
Department Wide Building Demolition	800,765	800,765	Demolition of old buildings on the grounds of several institutions including Farmington and Fulton State Hospitals. These buildings are a safety hazard for patients and employees.
DEPARTMENTAL TOTAL	16,372,078	15,102,583	
SOCIAL SERVICES			
Chest Hospital - Mt. Vernon			
Central compressed air system	55,512	55,512	Replacement of existing oxygen-based breathing system; and will be amortized in 34 months.
Step-down intensive care unit	210,063	210,063	Will centralize telemetry monitoring of patients coming out of surgery and anesthesia or who need less than intensive but more than normal care unit will allow better use of existing intensive care unit.

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
SOCIAL SERVICES (Continued)			
Maintenance	557,498		Includes extensive waterproofing and roof repair and replacement of obsolete power plant cooling tower, nurses' call station and surgical suite air conditioning system.
TOTAL	823,073	265,575	
State Cancer Hospital - Columbia			
Sprinkler System	50,000	50,000	Will provide adequate fire protection for 18,000 sq. ft. of hospital space. The system is necessary to maintain accreditation by the Joint Commission on the Accreditation of Hospitals.
TOTAL	50,000	50,000	
Sears Youth Center - Poplar Bluff			
Maintenance	120,990		Electrical, sewage and road maintenance projects.
TOTAL	120,990		
Hogan Street Youth Center - St. Louis			
Maintenance	453,452		
TOTAL	453,452		

THIRD STATE BUILDING FUND - MAINTENANCE AND CONSTRUCTION
(NEW AUTHORIZATION)

Department/Facility Item	Governor Recommends	Total Authorization (Construction)	Description
SOCIAL SERVICES (Continued)			
Babler Park Camp			
Maintenance	15,641		Necessary painting and bath renovations.
TOTAL	15,641		
Additional bed space - DYS Divisional	1,000,000	1,000,000	Provision of alternative capacity due to the transfer of the Boonville Training Center to Corrections.
DEPARTMENTAL TOTAL	2,463,156	1,315,575	Note: An additional $305,350 in general revenue is recommended for transfer of the Boonville facility. This amount is not reflected in the Third State Building Fund total.
CONSTRUCTION AND MAINTENANCE TOTAL	$63,750,000	$99,678,080	

THIRD STATE BUILDING FUND -- ECONOMIC DEVELOPMENT

Non-Highway Economic Development Projects

Department/Facility Item

HIGHWAYS AND TRANSPORTATION

Location	Recommendation FY 83 Bond Funds	Matching Funds	Total Project Cost	Description
Kansas City Port Authority	200,000	225,000	425,000	Water main extension into the downtown port site
St. Louis City Port Authority	458,254	1,000,000	2,800,000*	Reconstruct north end of dock at foot of North Market. Estimated to create 100 jobs.
St. Louis County Spirit of St. Louis Airport	657,106	5,913,957	6,571,063	Construction of taxiways, parking apron, runway, purchase of 200 acres of land. Will double traffic capacity and provide space for tenant construction.
Pemiscot County Port Authority	73,040	18,260	91,300	Land purchase. Will permit siting of additional industry. Full development will create 730 jobs.
Barry County Monett Airport	375,000	375,000	750,000	Grade and pave runway, improve parking to service expanding local industry.

*Additional funds will be recommended from future bond issues.

THIRD STATE BUILDING FUND -- ECONOMIC DEVELOPMENT

Non-Highway Economic Development Projects

HIGHWAYS AND TRANSPORTATION

Location	Recommendation FY 83 Bond Funds	Matching Funds	Total Project Cost	Description
Howell County West Plains	61,600	92,400	154,000	Rail spur to industrial site. Estimated to create 35 jobs with potential expansions in suppliers' operations.
Cass County Harrisonville Airport	400,000	400,000	800,000	Construct a hard surface runway and provide additional parking.
Jackson County Lee's Summit Airport	25,000	25,000	50,000	Expand parking facilities to accommodate larger commercial/ industrial use.
TOTAL	$2,250,000	$8,049,617	$11,641,363	

THIRD STATE BUILDING FUND - ECONOMIC DEVELOPMENT

Highway Projects

Department/Facility Item

HIGHWAYS AND TRANSPORTATION

Location	Recommendation FY'83 Bond Funds	Matching Funds	Total Project Cost	Description
Marion County Hannibal	$20,000	$110,000	$130,000	Remove median and provide left turn lane to increase access to area businesses.
Jackson County Kansas City	320,000	50,000	370,000	Woodswether Road, repair bridge to serve adjacent industrial, commercial and office areas.
Jackson County Kansas City	129,250	387,750	517,000	Bannister Road, replace bridge to serve adjacent industrial, commercial and office areas.
Johnson County Warrensburg	168,750	506,250	675,000	P.C.A. Road, grade separation and access to provide safer access to Rte. 50.
St. Louis City	225,000	675,000	900,000	Madison Street, revise ramps to accommodate heavy industrial hauling.
St. Charles	250,000	250,000	500,000	Outer Belt from I-70 to Ehlman Road, to provide access for 212-acre commercial/industrial property. Will generate 200 jobs.

THIRD STATE BUILDING FUND - ECONOMIC DEVELOPMENT

Highway Projects

HIGHWAYS AND TRANSPORTATION

Location	Recommendation FY'83 Bond Funds	Matching Funds	Total Project Cost	Description
St. Louis City	437,750	700,000	1,137,750	Hoffmeister Avenue extension. Project would provide new access to port authority development. Estimated to create 1,400 jobs.
Taney County Branson	288,750	866,250	1,155,000	Widen Route 76 to accommodate heavy tourist trade at Silver Dollar City and Shepherd of the Hills Farm.
Scott County	34,500	100,000	134,500	Access road from Route N to port. Will create 30 jobs and accommodate industries locating at the port.
Jasper County Joplin	263,600	170,000	433,600	Access road to industrial park to accommodate industry wishing to locate in area. Will generate 280 jobs.
Jackson County Independence	112,400	1,842,600	1,955,000	Acquire right of way in order to widen Route 291 from 23rd to 39th Streets. Four lane road will provide better access to industrial area.
TOTAL	$2,250,000	$5,657,850	$7,907,850	

THIRD STATE BUILDING FUND - ECONOMIC DEVELOPMENT

Natural Resources Projects

Department/Facility Item

DEPARTMENT OF NATURAL RESOURCES

Division	Recommendation FY'83 Bond Funds	Matching Funds	Total Project Cost	Description
Clean Water Commission Metro. Sewer District Grants	2,250,000	4,500,000	6,750,000	To provide grants to MSD for the control of stormwater runoff.
Div. of Environ. Quality Rural Water and Sewer Grants	1,507,500	1,507,500	3,015,000	To provide state assistance to local government units of 10,000 or less for the construction of water and sewer systems.
Div. of Environ. Quality Soil & Water Conserva. Program	2,992,500	1,995,000	4,987,500	To fund grants to Soil and Water Districts for the control of soil erosion.
TOTAL	$6,750,000	$8,002,500	$14,752,500	

OMNIBUS APPROPRIATIONS BILL

Special Election Costs	Governor Recommends
Secretary of State	
-Distributions - General Revenue	$ 86,832
-Distributions - General Revenue	882,428
	$969,260
Economic Development Act	
Department of Consumer Affairs, Regulation and Licensing	
-Distributions - General Revenue	$1,000,000
-Administration - General Revenue	130,280
Department of Revenue	
-Administration - General Revenue	41,443
	$1,171,723
Industrial Development Funding Authority	
Department of Consumer Affairs, Regulation and Licensing	
-Distributions - General Revenue	$1,500,000
Enterprise Zones	
Department of Consumer Affairs, Regulation and Licensing	
-Administration - General Revenue	$ 66,911
Department of Revenue	
-Administration - General Revenue	36,624
	$103,535

Research Assistance Act	Governor Recommends
University of Missouri	
-Distributions & Administration - General Revenue	1,000,000
Department of Higher Education	
-Distributions & Administration - General Revenue	$ 500,000
	$1,500,000
Fair Share Fund	
Department of Elementary and Secondary Education	
-Distributions - Fair Share Fund	$22,000,000 E
Tort Defense Fund	
-Distributions - General Revenue	$85,000
Attorney General	
-Administration - General Revenue	20,500
Interest Rate on Delinquent Taxes	
Department of Revenue	
-Administration - General Revenue	$241,318
State Park Earnings Fund	
-Distributions - General Revenue	$335,601
TOTAL	$27,926,937
General Revenue Fund	5,926,937
Fair Share Fund	22,000,000 E